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Grain and Feed

Results of the 2003 SBS Rice Tenders

2003

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Report Highlights:

U.S. rice accounted for 15.1% of the fourth and final Simultaneous Buy and Sell (SBS) rice tender held on December 5th, resulting in an 18.2% share for the year. On a volume basis, the total contracted amount for U.S. rice declined from 20,122 metric tons (MT) last year to 18,216 MT this year. A short rice crop in Japan forced importers of regular rice to compete for imports of glutinous rice that was particularly in short supply, which resulted in abnormally high price margins.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Tokyo [JA1]
[JA]

On December 5th, the Ministry of Agriculture, Forestry and Fisheries (MAFF) held its fourth and final Simultaneous Buy and Sell (SBS) rice tender under the Uruguay Round minimum access agreement for Japan Fiscal Year 2003 (April 2003 – March 2004). A total of 36,902 metric tons (MT) of foreign rice was contracted, with the U.S. accounting for 5,554 MT, or 15.1% of the total. Contracts for Chinese rice reached 30,509 MT for an 82.7% market share.

With the completion of four SBS tenders for the current fiscal year, the U.S. market share declined from 40.2% to 18.2% while China's market share increased from 48.4% to 78.8%. In terms of volume, 18,216 MT of U.S. rice was contracted, down from 20,122 MT last year. Unlike last year, all of the 100,000 MT SBS quota was filled compared to 50% for last year.

First SBS Tender (May 30, 2003)

	China	U.S.	Thailand	Australia	Vietnam	Pakistan	India	Italy	Total
Quantity	7,869	3,571	172	1,330	20	100	36	0	13,098
Share	60.1%	27.3%	1.3%	10.2%	0.2%	0.8%	0.3%	0.0%	100%

Second SBS Tender (August 29, 2003)

	China	U.S.	Thailand	Australia	Vietnam	Pakistan	India	Italy	Total
Quantity	21,403	3,507	54	0	0	0	36	0	25,000
Share	85.6%	14.0%	0.2%	0.0%	0.0%	0.0%	0.1%	0.0%	100%

Third SBS Tender (October 24, 2003)

	China	U.S.	Thailand	Australia	Vietnam	Pakistan	India	Italy	Total
Quantity	19,022	5,584	234	120	0	40	0	0	25,000
Share	76.1%	22.3%	0.9%	0.5%	0.0%	0.2%	0.0%	0.0%	100%

Fourth SBS Tender (December 5, 2003)

	China	U.S.	Thailand	Australia	Vietnam	Pakistan	India	Italy	Total
Quantity	30,509	5,554	685	120	0	0	0	34	36,902
Share	82.7%	15.1%	1.9%	0.3%	0.0%	0.0%	0.0%	0.1%	100%

FY 2003 Total SBS Tenders (First - Fourth)

	China	U.S.	Thailand	Australia	Vietnam	Pakistan	India	Italy	Total
Quantity	78,803	18,216	1,145	1,570	20	140	72	34	100,000
Share	78.8%	18.2%	1.1%	1.6%	0.0%	0.1%	0.1%	0.0%	100%

Due to a poor rice harvest this season (please refer to GAIN Report #JA3057), glutinous rice is particularly scarce. As a result, importers turned to the SBS imports (particularly in the 3rd tender) to meet domestic demand where they bid abnormally high to get the quantities they needed. Since there is no category bidding in the SBS system, those importers seeking regular rice had to outbid those seeking glutinous rice. As a result, the mark-ups for U.S. short grain rice (milled) in the third and fourth tenders exceeded 200,000 yen per metric ton, which is more than 30% higher than the last two year's average (see the charts at the end of this report). As a result of the problems in the 3rd SBS tender, MAFF increased the portion allocated to glutinous rice in the subsequent OMA tender.

FY 2003 SBS Tender Result by Type of Rice

	China	U.S.	Thailand	Australia	Vietnam	Pakistan	India	Italy	Total
Short/Brown	822	1,098	0	129	0	0	0	0	2,049
Short/Milled	37,620	5,451	0	1,141	0	0	0	0	44,212
Medium/Brown	260	0	0	0	0	0	0	0	260
Medium/Milled	0	40	0	0	0	0	0	34	74
Long/Brown	37	0	0	0	0	0	0	0	37
Long/Milled	0	0	825	0	0	140	72	0	1,037
Glut/Short/Brown	450	72	0	0	0	0	0	0	522
Glut/Short/Milled	33,722	7,747	0	0	20	0	0	0	41,489
Glut/Long/Brown	0	0	0	0	0	0	0	0	0
Glut/Long/Milled	0	0	320	0	0	0	0	0	320
Broken/Milled	5,892	3,808	0	300	0	0	0	0	10,000
Total	78,803	18,216	1,145	1,570	20	140	72	34	100,000



